

Highlights in the Foreign Exchange Market:

- After Trump's proposed tariffs last week, prospects of a trade war did not sit well with investors. The Dow Jones Industrial Average lost 700 points while the S&P 500 dropped 2.5% after a sell-off was triggered. On the other hand, demand for safe assets increased. The US 10-year yield retreated towards 2.8% while the Yen broke the 105 level for the first time since Trump was elected as President.
- As for China, the country has reacted by declaring USD 3bn on American agricultural products and metal products while the ambassador to the US warned the country could scale back its purchases of US Treasuries in retribution to the trade disagreement. The implication for a growing trade war between the US and China is casting a cloud over global growth prospects and equity markets reacted negatively to the news.
- On the currency market, we saw the Dollar fall under selling pressure where it traded in the red against other currencies. The Yen is going strong as the risk aversion sentiment builds the USD/JPY pair broke the support of 105.24. The Euro started trading on a stronger footing this morning in the Asian session reaching a high of 1.2381, trading 0.17% higher against the greenback from Friday's close.

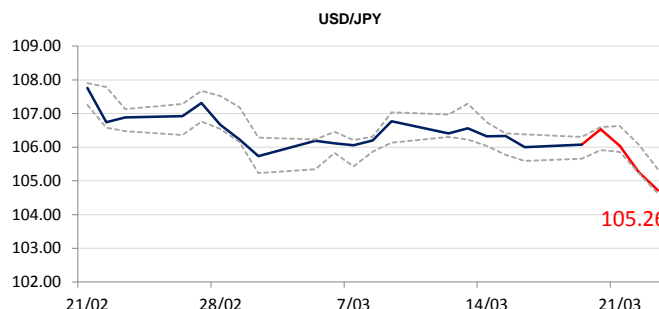
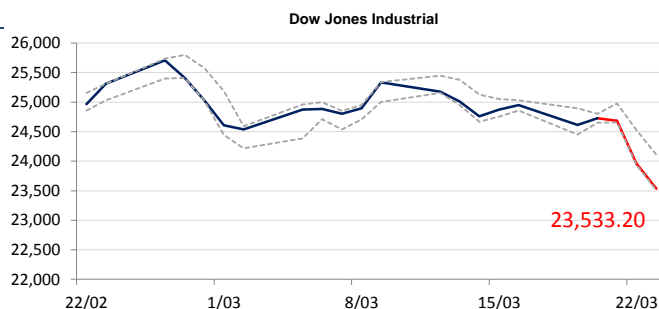


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2270	1.2325	1.2375	1.2425	1.2475
GBP	1.4060	1.4110	1.4163	1.4215	1.4265
JPY	103.90	104.40	104.85	105.55	106.05
CHF	0.9370	0.9425	0.9470	0.9515	0.9575

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2351	3.09	EUR/GBP	0.8738	(1.73)
GBP/USD	1.4132	4.82	GBP/JPY	148.02	(2.19)
USD/JPY	104.72	(6.77)	EUR/JPY	129.37	(3.90)
USD/CHF	0.9470	(2.70)	EUR/CHF	1.1699	0.30

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.2373 level during Friday's trading session and currently trading at 1.2375. EUR Resistance is at (1.2455-1.2475) any break above targets 1.2550 and Support is at (1.2240-1.2270) any break below targets 1.2150. The pair is currently Neutral.

USD/JPY: The pair moved down to the 104.62 level during Friday's trading session and currently trading at 104.85 USD/JPY Support is at (103.60-103.90) any break below targets 102.55 The pair is currently Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.31	1.75	2.00	2.19	2.50
USD	1.74	1.88	2.29	2.45	2.67
EUR	-0.42	-0.41	-0.38	-0.33	-0.25
GBP	0.48	0.50	0.66	0.78	0.99
CHF	-0.82	-0.80	-0.74	-0.65	-0.53
AUD	1.37	2.05	2.00	2.05	2.29

Economic Events

Date	Country	Event	Actual	Forecast	Previous
27-Mar-18	EUR	Spanish Flach CPI y/y		1.5%	1.1%
27-Mar-18	USD	CB Consumer Confidence		131.2	130.8
28-Mar-18	USD	Final GDP q/q		2.7%	2.5%
28-Mar-18	USD	Pending Home Sales m/m		2.1%	-4.7%
28-Mar-18	USD	Crude Oil Inventories			-2.6M
29-Mar-18	EUR	German Prelim CPI m/m		0.5%	0.5%
29-Mar-18	GBP	Current Account		-23.7B	-22.8B
29-Mar-18	GBP	Final GDP q/q		0.4%	0.4%
29-Mar-18	CAD	GDP m/m			0.1%
29-Mar-18	USD	Core PCE Price Index m/m		0.2%	0.3%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.98	2.28	2.62	2.84	3.09
Germany	-0.73	-0.60	-0.07	0.53	1.17
United Kingdom	0.78	0.90	1.19	1.44	1.76
Japan	-0.17	-0.16	-0.13	0.02	0.73

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	66.22	1.66	Dow Jones	23,533.20	(424.69)
Brent	68.62	(0.03)	Nikkei 225	20,766.10	148.24
West Texas	65.79	(0.03)	S&P 500	2,588.26	(55.43)
Gold	1,345.00	(0.14)	KuwaitSE	6,629.12	(2.79)

Global Indices

All information has been sourced from Reuters

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 221 6603 (TELEX : 46811 - FAX +965 2241 9720).